

STATEMENT II

Cotton/man-made Fibre Textile Mills reported to have been reopened during June, 1991.

1. Sarvaraya Textile Ltd.,
Vantithadi Agaramaram Vizianagaram,
Pin-531 203.
2. Rajagopal Textiles Mills P. Ltd.,
Mulakuinnathukavu, Trichur,
Pin-680 581
3. Swan Mills Ltd.,
(Unit Coorla Spg. & Wvg. Mills),
Lal Bahadur Shastri Marg,
Kurla, Bombay,
Pin-400 070.
4. Swan Mills Ltd.,
Tokersey Jivaraj Road,
Sewree, Bombay,
Pin-400 015.
5. The Narsimha Mills P. Ltd.,
Narsimha-Naicken-Palayam,
P.O. Coimbatore,
Pin-641 031.
6. Mak India P. Ltd.,
7-41-A, Avanashi Road,
Chinnampalayam P.O.,
Coimbatore,
Pin-641 062.
7. Mahalakshmi Textile Mills Ltd.,
Paravai Pasumalai P.O.,
Madurai,
Pin-625 004
8. Bowreah Cotton Mills Co. Ltd.,
Baurea Distt.,
Howrah,
Pin-711 305.

[Translation]

Proposal to allow more than 51 per cent Investment by Multi-National Companies

4226. SHRI RAJVEER SINGH :
Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to allow the multi-national companies to invest more than 51 per cent in some sectors under the new Industrial Policy;

(b) if so, the details of such multi-national companies which are likely to be allowed to invest in the country, State-wise;

(c) the manner in which it will help in improving the foreign exchange position; and

(d) the policy of the Government in respect of existing companies which have foreign investment exceeding 40 per cent with large foreign exchange outflow?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) :

(a) and (b) Foreign equity of more than 51 per cent would be considered in areas of high technology and export oriented ventures. Permission for foreign investment is given as and when such applications are received.

(c) Foreign investment would bring advantages like technology transfer and new possibilities for promotion of exports which is likely to help our foreign exchange position.

(d) The companies with more than 40% foreign equity would continue to be regulated as per provisions of the Foreign Exchange Regulation Act,

1973 (FERA) and in accordance with our policy.

[English]

Duty on Foreign Exchange released under Foreign Travel Scheme

4227. SHRI PRAKASH V. PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether due to 15 per cent duty on foreign exchange released under the Foreign Travel Scheme, the value of foreign currency in rupees is enhanced and most of the Non-Resident Indians and tourists sell it for a premium; and

(b) if so, the action taken or proposed to be taken by the Union Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) :

(a) No Sir. Since unauthorised sale of foreign exchange attracts punishment under the laws, any Non-resident Indians or tourists would attract punishment if they indulge in sale of foreign exchange.

(b) Since adequate provisions exist under the laws for booking offenders who sell foreign exchange unauthorisedly for a premium, no changes in the existing laws are considered necessary.

Credit Curbs on textile Industry by Reserve Bank of India

4228. SHRI PRAKASH V. PATIL : Will the Minister of TEXTILES be pleased to state :

(a) whether the Reserve Bank of India has imposed credit curbs on textile industry;

(b) if so, the details thereof and their effect on the cost of textile products;

(c) whether the Government propose to exempt the textile industry from credit curbs; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI ASHOK GEHLOT) : (a) to (d)

As part of a series of measures to curtail aggregate demand in the economy, banks were advised in May, 1991 that effective drawing power for the period May 9—September 30, 1991 would be limited to either 100% of the peak level of actual utilisation during the period, May 9 upto September 30 during the past three years or the cash credit limits as they stood on May 8, 1991, whichever is lower. Any drawings in excess of this stipulation will be irregular and banks are justified in charging higher rates of interest on such excess borrowings.

As the interest cost is only one component of the total cost, the credit restraint measure by itself would not have any significant impact on the overall cost of production of Textile products. There is, therefore, no proposal to exempt textile industry from the credit curbs.

Company Law Board

4229. SHRI PRAKASH V. PATIL : Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state :

(a) whether the Government propose to constitute an independent Company Law Board;

(b) if so, the reasons therefor; and